

15 May 1987

Memorandum For: [redacted] Security
From: [redacted]
Chief, [redacted]
Subject: FOIA Request Pertaining to [redacted] Personnel

1. It has come to my attention that seven current [redacted] employees, and two former [redacted] employees, were involved last year in an activity which may require further investigation. The individuals involved are [redacted]

[redacted] and [redacted]
[redacted] is currently assigned to [redacted] and [redacted]
is now assigned to [redacted]

2. In March 1986 [redacted] purchased 95 stamps at the McLean Post Office Substation on Spring Hill Road. Nine of the stamps were used on mail before it was noticed by one of the employees in the [redacted] that the stamps appeared to be mis-printed. In fact, the stamps were a portion of one sheet of 400 stamps printed by the Bureau of Engraving and Printing with a segment inverted. The matter was brought to the attention of [redacted] who works in [redacted] [redacted] since he was known to be a stamp collector. A decision was made by the [redacted] employees, and [redacted] to collectively purchase the remaining 86 stamps by reimbursing the postage fund and then to seek a professional appraisal on the unusual find. [redacted]

3. After a brief contact with a local stamp dealer the stamps were sold to a dealer in Ridgely Park, New Jersey to whom they had been referred. Each of the nine employees realized a profit of about [redacted] [redacted]

4. The matter came to my attention when [redacted] received an FOIA referral from the Department of the Treasury, Bureau of Engraving and Printing (BEP), the request having originated with one [redacted] of [redacted]. His request to the Bureau pertains to the conduct of an investigation which followed the issuance of an inverted printing of a \$1.00 stamp. The investigation, conducted in May 1986 by the Bureau of Engraving and Printing, included interviews of [redacted] [redacted] and [redacted] and identified them as CIA employees; however, the identities of the sellers of the stamps and their business affiliation has not yet become public knowledge.

The New Jersey stamp dealer who made the purchase, [redacted]

[redacted] He was not made aware of their place of employment. It appears that the purpose of the BEP investigation was to determine the circumstances surrounding the printing of the inverted stamps and if any collusion existed between an employee of the printing department and the individual(s) into whose possession the stamps fell. Since the matter appears to have been closed in the Office of Security, Bureau of Engraving and Printing, Department of the Treasury for almost one year, an assumption may be made that BEP has been satisfied on the issues that concern them. [redacted]

5. I have separately interviewed [redacted] and [redacted] on 13 and 14 May 1987. Their comments are reflected in the paragraphs above and were substantially in accord with the facts presented in the BEP investigative report. Two additional items of note - that [redacted] did not advise [redacted] supervisors in [redacted] was verified by the [redacted] and the former [redacted] Also, [redacted] claimed the additional income on [redacted] tax return and assumes that the others did as well. There remain several issues of concern. [redacted]

6. [redacted] has prepared a response on the issue of exemption assertions to protect the names of [redacted] and [redacted]

7. The remaining issue to be resolved, in my opinion, is whether our employees acted legally when purchasing the stamps by reimbursing the postage fund and then selling the stamps for profit, and if determined to be legal, whether it can be described as malfeasance and subject to disciplinary action. [redacted]

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8. It is recommended that the FOIA action be released as stated and that the specific issue surrounding the nature of the activity by the [] personnel be referred to Security [] for further investigation. []

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